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**A Corporation Of  
Certified Public Accountants**

**For the Years Ended June 30, 2002 and 2001**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/30/02

***Post Office Box 53147, 102 Versailles Blvd, Suite 808  
Lafayette, Louisiana 70505-3147***

# **FAITH HOUSE, INC.**

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**THIBODAUX**

**HEBERT**

**DESHOTELS**

**LEBLANC**

**INDEPENDENT AUDITORS' REPORT**

The Officers and Directors  
Faith House, Inc.  
Lafayette, Louisiana

Jack B. Thibodaux, Jr.  
Alan D. Hebert  
Norbert A. Deshotels  
Phillip P. LeBlanc  
Howard C. Schoeffler

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A Corporation of  
Certified Public Accountants

We have audited the accompanying statements of financial position of Faith House, Inc. (*a non-profit organization*) as of June 30, 2002 and 2001, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Faith House, Inc. as of June 30, 2002 and 2001, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 30, 2002 on our consideration of Faith House, Inc.'s internal control structure and a report dated August 30, 2002 on its compliance with laws and regulations.

*Thibodaux Hebert Deshotels LeBlanc*

CERTIFIED PUBLIC ACCOUNTANTS

August 30, 2002

# FAITH HOUSE, INC.

## STATEMENTS OF FINANCIAL POSITION June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Assets:		
Cash	\$404,939	\$395,350
Grants receivable	208,179	130,555
Prepaid insurance	8,228	6,327
Land, buildings and equipment, net	1,433,500	1,493,522
Deposits	55	55
Total assets	<u>\$2,054,901</u>	<u>\$2,025,809</u>
Liabilities and net assets:		
Accounts payable	\$28,625	\$24,869
Other current liabilities	13,021	10,333
Total liabilities	<u>41,646</u>	<u>35,202</u>
Net assets:		
Unrestricted	1,941,259	1,990,607
Restricted	71,996	-
Total net assets	<u>2,013,255</u>	<u>1,990,607</u>
Total liabilities and net assets	<u>\$2,054,901</u>	<u>\$2,025,809</u>

*The accompanying notes are an integral part of these financial statements.*

# FAITH HOUSE, INC.

## STATEMENTS OF ACTIVITIES For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Changes in unrestricted net assets:		
Revenues and gains:		
Grants	\$661,788	\$643,776
Fundraising	78,759	64,135
Public support donations	132,420	118,358
In-kind donations	110,635	81,687
Interest income	6,860	13,716
Total unrestricted revenues and gains	990,462	921,672
Net assets released from restrictions:		
Satisfaction of program restrictions	-	151,190
Total unrestricted revenues and gains and other support	990,462	1,072,862
Expenses and losses:		
Program services	845,598	711,669
Fundraising	63,892	25,140
Support services administration	130,320	137,683
Total expenses	1,039,810	874,492
Loss on disposal of asset	-	2,892
Total expenses and losses	1,039,810	877,384
Increase (decrease) in unrestricted net assets	(49,348)	195,478
Changes in temporarily restricted net assets:		
Grants	71,996	-
Net assets released from restrictions	-	(151,190)
Increase (decrease) in temporarily restricted net assets	71,996	(151,190)
Increase in net assets	22,648	44,288
Net assets at beginning of year	1,990,607	1,946,319
Net assets at end of year	\$2,013,255	\$1,990,607

*The accompanying notes are an integral part of these financial statements.*

# FAITH HOUSE, INC.

## STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended June 30, 2002 and 2001

	<u>Program Services</u>	<u>Fundraising</u>	<u>Support Services Administration</u>	<u>2002 Total</u>	<u>2001 Total</u>
Advertising	\$1,227	\$1,724	\$ -	\$2,951	\$769
Bank charges	-	6	331	337	-
Client expenses	24,687	-	-	24,687	12,033
Dues and subscriptions	2,770	-	-	2,770	1,401
Equipment	7,621	64	-	7,685	5,745
Food supplies	7,715	8,980	-	16,695	7,083
In-kind donations	106,635	-	-	106,635	74,553
Insurance	65,448	2,123	12,008	79,579	70,086
Library and videos	10,253	624	-	10,877	3,581
Miscellaneous	327	78	14	419	5,335
Office expense	13,087	310	545	13,942	13,518
Outside services	12,035	10,788	501	23,324	16,883
Payroll taxes	29,450	1,419	7,828	38,697	35,301
Postage	4,968	219	207	5,394	5,162
Printing	10,500	6,123	437	17,060	16,374
Professional development	1,370	-	57	1,427	2,034
Legal and accounting	-	-	6,155	6,155	6,231
Rent	9,155	-	-	9,155	5,157
Repairs and maintenance	16,206	-	675	16,881	8,827
Salaries and wages	360,542	15,775	95,840	472,157	432,657
Special projects	11,110	14,474	-	25,584	7,184
Supplies - Children's program	13,181	174	-	13,355	4,851
Supplies - Janitorial	159	-	7	166	1,115
Telephone	20,869	184	870	21,923	22,938
Travel	12,866	827	536	14,229	10,793
Utilities	32,590	-	1,358	33,948	37,679
	774,771	63,892	127,369	966,032	807,290
Depreciation	70,827	-	2,951	73,778	67,202
Total Functional Expenses	\$845,598	\$63,892	\$130,320	\$1,039,810	\$874,492

*The accompanying notes are an integral part of these financial statements.*

# FAITH HOUSE, INC.

## STATEMENTS OF CASH FLOWS For the Years Ended June 30, 2002 and 2001

	<u>2002</u>	<u>2001</u>
Cash flows from operating activities:		
Change in net assets	\$22,648	\$44,288
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	73,778	67,202
Loss of disposal of asset	-	2,892
Donated assets	(4,000)	(8,289)
Changes in assets and liabilities:		
Grants receivable	(77,624)	20,835
Prepaid insurance	(1,901)	(1,339)
Accounts payable	3,756	10,870
Other current liabilities	2,688	9,509
Net cash provided by operating activities	<u>19,345</u>	<u>145,968</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(9,756)</u>	<u>(66,717)</u>
Net increase in cash	9,589	79,251
Cash at beginning of year	<u>395,350</u>	<u>316,099</u>
Cash at end of year	<u>\$404,939</u>	<u>\$395,350</u>

*The accompanying notes are an integral part of these financial statements.*



## FAITH HOUSE, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1: ORGANIZATION

Faith House, Inc., a nonprofit corporation, was incorporated on November 20, 1980 to provide temporary shelter and services for battered women and their children in crisis situations. Other services provided by the Organization include crisis counseling, after care to victims of domestic violence, and community education about domestic violence. The Organization's services are available to residents of Lafayette, Vermilion, Acadia, Evangeline, and St. Landry parishes.

#### NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Basis of Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

##### Method of Accounting

Assets and liabilities, and revenues and expenses, are recognized on the accrual basis of accounting.

##### Property and Equipment

Property and equipment are stated at cost. Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost and depreciated. Routine expenditures for repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of property and equipment disposed of are eliminated from the accounts, and any resulting gain or loss is recognized.

Depreciation is provided utilizing the straight-line method. Depreciation expense amounted to \$73,778 and \$67,202 for the years ended June 30, 2002 and 2001, respectively.

##### Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

##### Cash Flows

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

##### Grants Receivable

At June 30, 2002 and 2001, all of the Organization's grants receivable were considered fully collectible and due within one year.



**FAITH HOUSE, INC.****NOTES TO FINANCIAL STATEMENTS****NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

*Advertising*

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising are capitalized and amortized over the period during which future benefits are expected to be received. The amount of advertising incurred for the years ended June 30, 2002 and 2001 was \$2,951 and \$769, respectively.

*Donor-Restricted Funds*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. Such donations are recorded as unrestricted support unless the donor has restricted the asset to a specific purpose.

*Donated Services*

The Organization receives donated personal services for fundraising and program services activities which do not qualify for recognition under SFAS No. 116. Accordingly, no value has been reflected in the statements for such donated services; however, these services are very valuable to the Organization's programs. The value of donated services not reflected in the financial statements for the years ended June 30, 2002 and 2001 was \$18,946 and \$10,765, respectively.

*Reclassifications*

Certain amounts in the prior year financial statements have been reclassified to conform with the current year presentation. Such reclassifications had no effect on changes in net assets.

*Credit Risk*

Financial instruments that potentially subject the Organization to credit risk include cash and cash equivalents. The organization maintains cash at one financial institution. Cash accounts at this institution are guaranteed by the Federal Deposit Insurance Corporation up to \$100,000. At June 30, 2002, the Organization exceeded the insured limit by approximately \$311,818.

# FAITH HOUSE, INC.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3: GRANTS

For the years ended June 30, 2002 and 2001, grant revenue consists of the following:

	<u>2002</u>	<u>2001</u>
Acadiana Affiliate of Susan B. Komen	\$2,126	\$5,400
Acadiana Arts Council	5,869	2,500
Children's Trust Fund (CTF)	1,849	2,659
Combined Federal Campaign of Acadiana (CFC)	4,866	7,895
Crime Victims' Assistance (CVA)	69,975	65,091
Doors of Hope	-	5,000
Federal Emergency Management Agency (FEMA)	14,420	14,420
Gannett Foundation	7,500	-
Interest on Lawyers' Trust Association (IOLTA)	33,590	29,000
Junior League	5,000	2,200
Lafayette Consolidated Government:		
Emergency Shelter Grant - Entitlement (ESG)	-	14,185
Emergency Shelter Grant - State (ESG)	6,367	29,734
External Agency	21,956	19,593
Lafayette Medical Alliance	1,500	-
Lafayette Parish School Board	1,334	3,787
Louisiana Coalition Against Domestic Violence		
Community Outreach	17,745	-
Rural Projects (R-PAP)	13,547	71,163
Temporary Assistance for Needy Families (TANF)	20,094	-
Office of Women's Services		
General	300,644	240,857
Temporary Assistance for Needy Families (TANF)	52,078	-
Rapids Foundation	8,394	-
Target Stores Grant	-	5,000
United Way of Acadiana	89,200	85,800
United Way of St. Landry	26,308	19,821
Violence Against Women Act (VAWA)	19,422	19,671
Private Foundation Grants	<u>10,000</u>	<u>-</u>
Total grant revenue	<u>\$733,784</u>	<u>\$643,776</u>

### NOTE 4: NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor-imposed restrictions, as follows:

	<u>2002</u>	<u>2001</u>
Satisfaction of program restrictions	<u>\$ -</u>	<u>\$151,190</u>

# **FAITH HOUSE, INC.**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 5:    PROPERTY AND EQUIPMENT**

At June 30, 2002 and 2001, property and equipment and the related accumulated depreciation consists of the following:

	<u>2002</u>	<u>2001</u>
Land	\$34,280	\$34,280
Buildings and improvements	1,544,657	1,541,865
Furniture and fixtures	76,839	76,839
Machinery and equipment	161,799	150,834
Automobiles	<u>15,000</u>	<u>15,000</u>
	1,832,575	1,818,818
Less: Accumulated depreciation	<u>399,075</u>	<u>325,296</u>
Land, buildings, and equipment, net	<u><u>\$1,433,500</u></u>	<u><u>\$1,493,522</u></u>

**THIBODAUX**

**HEBERT**

**DESHOTELS**

**LEBLANC**

**INDEPENDENT AUDITORS' REPORT ON INTERNAL  
CONTROL STRUCTURE BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

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*A Corporation of  
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The Officers and Directors  
Faith House, Inc.  
Lafayette, Louisiana

We have audited the financial statements of Faith House, Inc. (*a nonprofit organization*) for the years ended June 30, 2002 and 2001, and have issued our report thereon dated August 30, 2002.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of Faith House, Inc. is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgements by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audits of the financial statements of Faith House, Inc. for the years ended June 30, 2002 and 2001, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.



We noted no matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Directors and management of Faith House, Inc. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

*Thibault & Levesque*

CERTIFIED PUBLIC ACCOUNTANTS

August 30, 2002

**THIBODAUX**

**HEBERT**

**DESHOTELS**

**LEBLANC**

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE**  
**BASED ON AN AUDIT OF FINANCIAL STATEMENTS**  
**PERFORMED IN ACCORDANCE WITH**  
**GOVERNMENT AUDITING STANDARDS**

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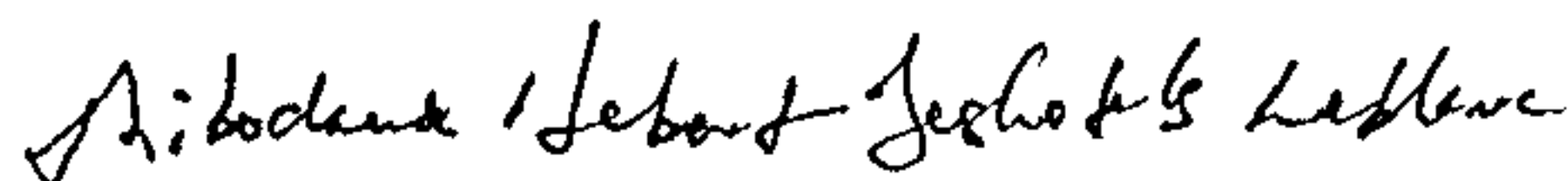
We have audited the financial statements of Faith House, Inc. (*a nonprofit organization*) as of and for the years ended June 30, 2002 and 2001, and have issued our report thereon dated August 30, 2002.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Faith House, Inc. is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audits of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended for the information of the Board of Directors and management of Faith House, Inc. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



CERTIFIED PUBLIC ACCOUNTANTS

August 30, 2002